




Minnesota Gambling Control Board

Suite 300 South
1711 West County Rd B
Roseville, MN 55113
651-639-4000

TO: Honorable Tim Pawlenty, Governor
Honorable Margaret Anderson Kelliher, Speaker of the House
Honorable James Metzen, President of the Senate
Senate Research
House Research
Legislative Committee Members

FROM: Tom Barrett
Executive Director 

DATE: December 30, 2008

RE: FY08 Financial Summary for Licensed Lawful Gambling Organizations

The attached report is provided to you as required under Minnesota Statute 349.151, subd. 4(a), (9)). The report includes a financial summary for each licensed organization conducting lawful (charitable) gaming and depicts gross receipts, prizes paid, expenses, and charitable donations. The report also includes a summary of all activity.

Report highlights:

- Licensed organizations reported gross sales from lawful gambling of \$1,120,404,000 in FY08.
- Overall rate of prize payout was 81.8% (\$916,791,000).
- \$92.3 million of gross profit was spent on total "Lawful Purpose" donations in FY08.
 - \$38.9 million of gross profit was spent on "charitable" donations.
 - \$46 million of gross profit was spent on taxes and fees.
 - \$7.3 million spent on real estate taxes, utilities for veteran posts and other misc items.
- The overall effective rate of taxes and fees paid compared to gross receipts is 4.1%.
- On average, licensed organizations are spending 55.5% of their gross profit on expenses.
- Veteran organizations account for 29% of the total licensed organizations.

This report is sorted alphabetically, by licensed organization. Additional "sorts" (by city, etc) can be provided upon request. If you have any questions, please let me know!

Attachment

Gambling Control Board
Report to the Governor and Legislature

FY2008 Financial Summary for Licensed Lawful (Charitable) Gambling Organizations

(MS 349.151, Subd. 4(a)(9) requires the Gambling Control Board to report annually to the governor and legislature a financial summary for each licensed organization)

GROSS RECEIPTS, PRIZES PAID, OPERATING EXPENSE, FUNDS AVAILABLE FOR DONATIONS

\$1,120,404,000	Gross Receipts - all money received from the five forms of lawful (charitable) gambling
\$916,791,000	Less Prizes Paid (81.8%)
\$203,613,000	Net Receipts (18.2%)
\$203,613,000	100.0% Net Receipts
(\$113,049,000)	55.5% Less Allowable (Operating) Expenses ⁽¹⁾ - expenses directly related to conduct of gambling such as salaries, rent, product, supplies
(\$1,511,000)	0.7% Less Capital Assets and Improvements - expenditures or contributions requiring approval by Gambling Control Board (mostly building repairs)
\$89,053,000	43.8% Amount available for Lawful Purpose Expenditures or Contributions (LPE), including taxes and fees, charitable contributions, and other lawful purpose)

ACTUAL FUNDS SPENT DURING FY2008

\$46,014,000	22.6% LPE spent on Taxes and Fees (taxes related to gambling, the .1% Board fee, and licensing fees paid to Gambling Control Board)
\$38,925,000	19.1% LPE spent on Charitable Donations (See chart FY2008 Charitable Contribution Breakdown for donations that meet charitable definition)
\$7,323,000	3.6% Other LPE (miscellaneous allowed items such as audit costs, real estate taxes, and veteran utilities)
\$92,262,000	45.3% Actual amount spent in FY2008 ⁽²⁾

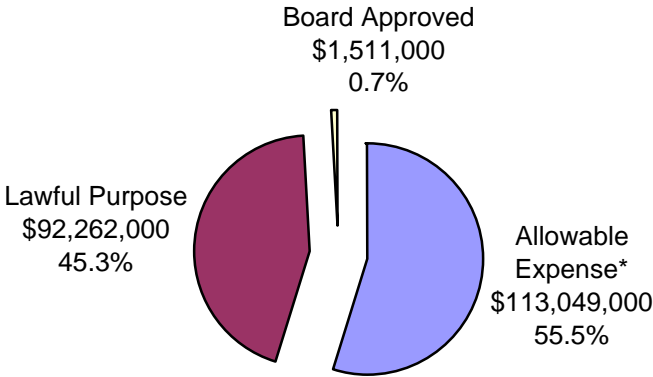
Organization Type: ⁽³⁾

Veterans	371	29%	Legions, VFWs, Auxiliaries, etc.
Fraternal / Civic Clubs	324	25%	Elks, Eagles, Moose, Lions, Jaycees, etc.
Youth Programs	206	16%	Athletic, musical, etc.
Fire Departments	176	14%	Fire Relief Associations
Outdoor	100	8%	ATV, conservation, fishing, hunting, lakes, snowmobile, trails, etc.
Miscellaneous	88	7%	Animal shelters, arts, commercial clubs, library, medical, etc.
Church / School	25	2%	Churches, private schools
TOTAL	1,290	100%	

(1) Some organizations exceeded the expense limit allowed by law and were required to reimburse the overage from non-gambling funds. Total reimbursement was \$728,000.
(2) Organizations are not required to spend 100% of net receipts annually. Money may be carried over from one year to the next (usually for larger projects).
(3) 1% of the organizations did not respond by the deadline. Organizations with less than a full year of activity were not included.

Gambling Control Board Report

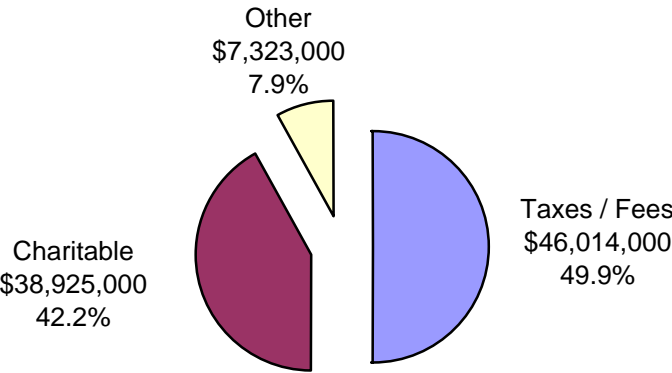
Net Receipts FY2008



FY2008 Total Net Receipts Deposited \$203,613,000
FY2008 Total Net Receipts Spent \$206,822,000

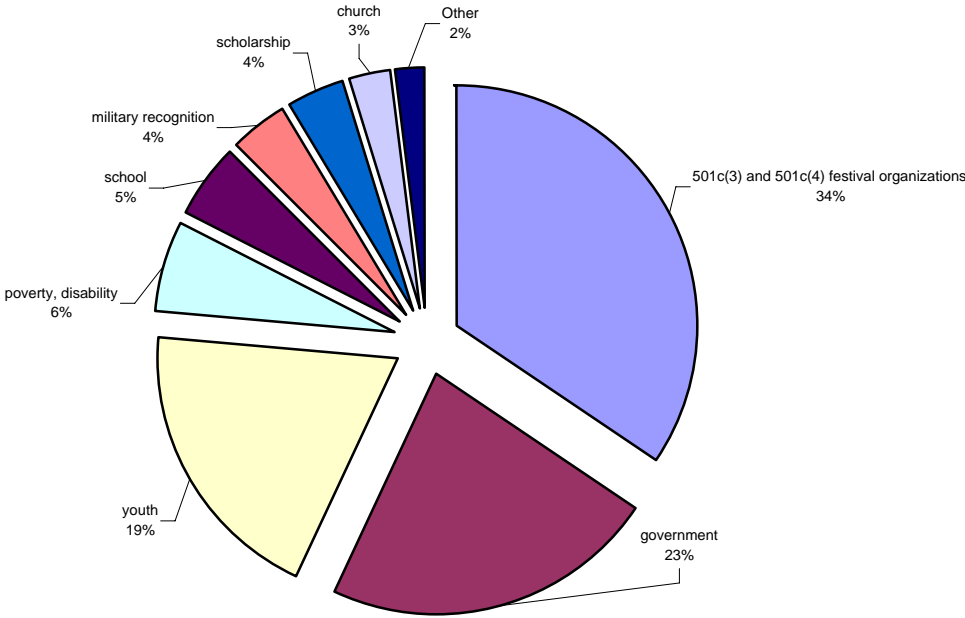
*Amount includes excess expenses of \$728,000 that required reimbursement

FY2008 Lawful Purpose Breakdown



Total Lawful Purpose Expenditures \$92,262,000

FY2008 Charitable Contribution Breakdown



\$13,387,000
\$8,804,000
\$7,548,000
\$2,353,000
\$1,998,000
\$1,537,000
\$1,504,000
\$1,001,000
\$793,000
\$38,925,000

34% 501c(3) and 501c(4) festival organizations
23% government
19% youth
6% poverty, disability
5% school
4% military
4% scholarship
3% church
2% Other

100%

\$400,000 Other - wildlife management, trails, DNR
\$245,000 Other - food shelves
\$75,000 Other - humanitarian
\$68,000 Other - community arts
\$5,000 Other - problem gambling

GCB Code

A1
A10
A7
A2
A4
A6
A5
A11

A13
A14
A19
A15
A3